

OPEN MEETING AGENDA ITEM



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Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007

Re: Response of Arizona Public Service Company (APS or Company)
Commission Establishment of a Process to Track the Financial Impacts of
COVID-19
Docket No. AU-00000A-20-0094

Request for Approval of COVID-19 Emergency Relief Package
Docket No. E-01345A-20-0080

Dear Commissioner Márquez Peterson:

Thank you for your April 29 letter requesting that APS respond to questions raised by the Arizona PIRG Education Fund, SWEEP and Wildfire. In response to these questions, APS provides the following:

Question: What options have been explored to provide financial relief to customers?

Response: In an effort to provide meaningful relief to customers during the COVID-19 pandemic, APS has explored and implemented a number of initiatives designed to provide meaningful financial relief to customers, including:

- \$1.5 million in hardship funding through the Customer Support Fund
- \$1 million in emergency funding to Arizona non-profit agencies
- \$250,000 in emergency funding to Arizona Together
- A 100% match for employee contributions to the Arizona Food Bank Network (AZFBN)
- \$250,000 to support the Navajo Nation in conjunction with the other Arizona-based owners of Four Corners

APS is also modifying its proposed 2020 DSM Implementation Plan to include a number of changes needed for Summer 2020 designed to provide meaningful support to customers, including a \$1,000 rebate to qualified customers whose HVAC system fails. APS plans to file an amended 2020 DSM Plan to reflect these changes.

QUESTION: Was the option of using a portion of DSM funds to leverage zero percent or low-interest energy efficiency financing considered for all ratepayers who may need to make HVAC purchases during this time of uncertainty?

Response: Yes. However, in an effort to rapidly deliver solutions needed for customers in 2020 which leverage the existing DSM framework, APS has not proposed financing options at this time. APS believes it is best to propose solutions through its next Implementation Plan after adequate time to build a program in collaboration with stakeholders and potential financing partners. APS has already begun engaging stakeholders in this discussion and will continue to do so.

QUESTION: In what categories is the utility experiencing net cost savings (e.g. operating) as a result of COVID-19? Per category, what are the estimated net cost savings through August 2020?

Response: At this early stage, APS has seen both savings and increased costs due to COVID-19. Increased costs are associated with COVID-19-related activities and purchases such as supplies and equipment necessary for disinfecting, health screening and testing, and the purchase of personal protective equipment. Due to the still rapidly changing circumstances of COVID-19, APS does not have an estimate through August 2020 of the net cost impacts.

QUESTION: Does APS anticipate coming back to the Commission with a request to provide additional funds for COVID-19 relief? If so, what will determine the need for additional funds and what do you anticipate will be the source of those funds?

Response: APS does not have any plans to come back to the Commission with a request for additional funds, but recognizes that this is a rapidly-evolving situation and looks forward to continuing to work with customer advocates, the Commission, and other stakeholders to determine how best to support customers moving forward.

QUESTION: If applicable, how does the utility plan to track any expenditures made with relief funds?

Response: APS will track Unemployment Energy Support Program expenditures by internally querying the accounts receiving the 25% discount. Similarly, APS will track the Residential Bill Forgiveness, the Small Business Hold, and the Small Business Bill Forgiveness programs by querying internal systems to generate reports specific to these programs.

In addition, APS plans to track all COVID-19-related expenditures for future reference.

QUESTION: If applicable, how does the utility plan to evaluate the use of relief funds?

Response: APS will evaluate the use of relief funds using appropriate metrics such as the amount of customer participation, average discount or credit per customer, total relief funds distributed, and promotion response rate. APS is still evaluating the specific metrics for each program.

QUESTION: If applicable, how does the utility plan to let ratepayers know about the availability of relief funds?

Response: For the Unemployment Energy Support Program, an initial press release and notice to customers will be distributed prior to program launch. APS plans to message this program in a variety of ways on an ongoing effort through direct mail, email, print, digital, and in the Customer Care Center. Due to the large number of people already receiving State of Arizona Unemployment, APS expects a strong initial response. After the program begins, APS will monitor the volume of applications received and funds distributed, adding additional promotion and marketing as needed.

For the Residential and Small Business Bill Forgiveness, APS believes there will naturally be strong interest for the program based on media coverage and notice on our website. APS will use direct marketing efforts to reach eligible customers most in need if additional promotion is needed.

The Small Business Hold Program is designed to be an option to business customers in lieu of disconnection. This program will be promoted through Customer Care Center Advisors.

QUESTION: If applicable, how does the utility plan to determine which ratepayers are eligible to receive relief funds?

Response: For the Unemployment Energy Support Program, the customer will provide proof that someone in the household has been approved for State of Arizona Unemployment insurance. The types of acceptable documents are listed in our filing.

Residential Bill Forgiveness will be available to customers who have a delinquent balance and are on E-3, E-4, or the Unemployment Energy Support Program.

Small Business Bill Forgiveness will be available to extra-small and small business customers with delinquent balances. Additional eligibility criteria may be added in the future to get the credits to industries and companies most in need following consultation with external stakeholders, community experts, and economists.

The Small Business Hold Program will be available to any active extra-small, small, and medium business customers who contact the Customer Care Center. Additionally, any non-residential customer can discuss a payment arrangement with APS by contacting the Care Center.

QUESTION: If applicable, will the utility commit to providing a monthly update on the relief support to this docket?

Response: Yes.

Please let me know if you have any questions.

Sincerely,

/s/ Rod Ross

Rodney J. Ross

RJR/eml